Hertz .NEWS

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They Save Money, Conserve Fuel . . .

HERTZ STUDY FINDS VANS MORE EFFICIENT THAN CARS FOR COMMUTER 'POOLS'

A 15-person van can cut commuting costs 88% -- up to $2,800 yearly for typical lone drivers -- according to a Hertz Corporation study which also shows U.S. oil imports would drop by 5.5 billion gallons annually if just one worker in 10 switched from cars to "passenger trucks."

The lease-rental company's analysis issued today rates even the largest, plushest commuter vans, loaded with comfort options, as more than twice as efficient per-rider as sedan-pool commuting.

The new report, based on cost data the firm keeps for its more than 250,000 cars and trucks, also found big vans to be almost two-thirds more economical than station wagon commutation and slightly less expensive than 12-rider versions of the versatile "people trucks."

In addition, the company noted, vans carrying more than eight commuters qualify for fuel priorities in any gasoline shortages and may use special "fast" lanes during rush hours, adding to their advantage over passenger cars in many areas.

"Van pools also reduce overall traffic congestion, lower exhaust emission levels and ease parking problems," says J.E. Menendez, Hertz executive vice president for vehicle and equipment leasing. "In the past 18 months we have seen a surge of interest in vans and we forecast substantial future growth for this form of ride-sharing.

Economies stem from lower fuel, maintenance, insurance, interest and depreciation expenses on family cars when commuter mileage is eliminated the report notes. If tolls or parking charges are also shared, additional sums are saved.

Even one-car families, who use a single vehicle for commutation as well as other travel, save substantial sums because they can drive their auto less and keep it longer, Hertz points out.

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Half-Million Van-Pools Forecast

The study sees a potential of up to 7,500,000 van pool users -- almost 10% of the estimated 78 million Americans who now commute by car -- before the end of the decade, "if remaining roadblocks to more van pools are eliminated and if additional incentives are provided."

The company says it has written governors of all states and heads of 1,000 major corporations seeking removal of van pool barriers and further encouragement of van pool formation by employees.

"With just 500,000 vans on the road -- less than 1/3rd of 1% of the total cars and trucks now in service in this country -- we could cut commuter mileage and fuel consumption almost 25%," the study estimated. "This could reduce the nation's crude oil imports by more than 5% a year."

Motorists themselves would save more than $17 billion each year -- an average of some $2,273 annually at 1979 rates for each of the 7,500,000 lone commuters who switch from cars to vans.

How Vans Cut Costs Sharply

Round-trip car commuting now averages less than 20 miles a day, with just over 1.1 riders per car, according to government and industry data. But, the Hertz study says, at least 7,500,000 workers travel alone between 30-70 daily miles -- averaging about 53 miles a day, round-trip, or 13,270 miles a year.

It is these lone high-mileage drivers, especially ones with limited incomes, who are prime candidates for van pools as auto costs soar, fuel shortages threaten and new incentives are offered to encourage commuter vans, the report predicts.

At the 13,270-mile-a-year rate -- even assuming a driver kept the car 7½ years until it rolled 100,000 miles -- per-mile costs of 24.35¢ a mile for a 1979 intermediate total $3,231 annually, the Hertz figures show.

By contrast, an option-laden luxury-model, 15-passenger van, run the same 13,270 mile-a-year distance for the same 7½ years, costs 42.45¢ a mile, or $5,633 annually. But its per-passenger outlays come to just $376, a $2,855 -- or 88% -- annual saving provided no other driving is done and the commutation car can be sold, or if the family has a second unit for other travel, as more than 40% of vehicle-owning families do.

For the majority of families with just one car which serves for both commutation and other travel, van-pooling still offers substantial savings, the Hertz data shows.

The study assumes a national average of 6,667 non-commuting miles a year. Adding the 13,270 miles of driving to and from work brings the total to 19,937 annual miles of travel for only a five-year 100,000-mile overall use period. At this rate, expenses are 22.59¢ a mile or $4,504 annually.

By joining a van pool and eliminating commutation mileage, the car can be kept 15 years before it travels 100,000 miles, so annual costs at 33.76¢ a mile are just $2,251, some $2,253 under the $4,504 figure. Subtracting the $376 annual van pool costs from this $2,253 leaves an $1,877 yearly saving, or 42%.

"For motorists commuting under 13,270 miles a year, savings would be less; for those driving more than that, savings would be higher," the Hertz analysis points out.

Car and Wagon Pools Less Efficient

The Hertz study also shows that both sedans and station wagons are less efficient as commuter pool vehicles than the plushest 15-passenger "people trucks."

In an intermediate-size sedan, expense-sharing by four persons costs each rider $808 a year, about 115% above the van charges. With a six-passenger station wagon, the 13,270-mile-a-year, 7½ year outlays come to $3,720 annually, or $620 per passenger, about 65% above vans.

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Using a car smaller than an intermediate sedan for a four-rider commuter-pool vehicle, or packing extra passengers in an intermediate car or in a station wagon, trims the per-person share slightly. But it also lowers the comfort levels and could thus raisé rider drop-out ratios.

Commuter Van Growth

The Hertz report said estimates place the number of commuter vans in operation at between 6,000 and 20,000 units, with 25-50% of these leased because of the relatively-high initial purchase prices of these vehicles.

Just five years ago, the study stated, virtually all estimates put the total number of commuter vans at 300 or less, indicating a probable annual doubling of van pools each year since then.

Hertz said its own totals of leased commuter vans have gone from fewer than 50 in 1977 to almost 1,000 by mid-1980. Based on its forecasts for continued commuter van growth and the high ratio of leased units, the firm has developed a comphrehensive program to encourage corporations and government groups to form van pools among their employees, or to aid their workers in doing so.

The "turn key" program provides the van itself (under a three-year, closed-end lease), full maintenance, a special insurance policy and assistance to companies and employee-groups in organizing and operating the pools, including rider agreements, route forms, fuel and upkeep record sheets, plus ledgers for recording passenger payments.

Data on Car and Van Commutation

The Hertz study projects the total number of workers who commute by car to be some 78.2 million persons, riding -- at an average of 1.136 occupants per vehicle-- in some 68.9 million cars and trucks, travelling some 324 billion vehicle miles a year and some 368 passenger miles annually.

The report estimates some 64.2 million commuters drive alone, another 14 million in some type of ride-sharing arrangement. Fewer than 13 million persons commute via all other methods combined --from public transportation to walking.

The company calculated average fuel efficiency for all cars on the road at 14.4 miles per gallon and at 8 m.p.g. for vans in figuring national fuel-saving totals. But it used higher 17-18 m.p.g. consumption for 1979 cars in calculating operating costs. Thus, expense savings may be higher than indicated, the company said, and any toll and parking costs shared would boost the savings even further.

While more than 30 states have passed laws to facilitate van pooling and provide incentives to run these vehicles, other states have varying restrictions, which Hertz urges be removed.

The company also called for changes in Federal tax and energy policies to provide the same advantages for employee-run and neighborhood van pools which corporations can now obtain. Too, the firm urged that restrictions which penalize double-duty use of vans for non-commuter and commuter tasks should be dropped.

"Our projections show that virtually all van-pool potential comes from private passenger car commuters, so transit lines should have no objection," Mr. Menendez said. "And while vans could replace as many as 7,500,000 cars now on the road during rush-hour traffic -- under 5% of total vehicles registered in the U.S. -- the nation's total vehicle population would drop by under 2,500,000 units even if the maximum van-pool potential is reached, since multi-car families would be ones likeliest to sell a vehicle."

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Expense Category	Intermediate Size Sedan -1979			Station Wagon	15-Passenger Van
	19,937 Miles A Year for Five Years	13,270 Miles A Year for 7.5 Years	6,667 Miles A Year for 15 Years	13,270 Miles Per Year for 7.5 Years	13,270 Miles A Year for 7.5 Years
	A.	B.	C.	D.	E.
List Price		$6,738		$7,998	$12,594
Purchase Price		6,131		7,313	11,516
Depreciation	.0538 ¢ Per Mile	.0570¢	.0906¢	.0676¢	.1064¢
Licenses, Fees and Insurance	.0396	.0540	.1020	.0530	.0782
Interest	.0254	.0255	.0379	.0302	.0476
Sub-total	.1188¢	.1364¢	.2306¢	.1509¢	.2323¢
Fixed Expenses					
Maintenance	.0325	.0325	.0325	.0355	.0447
Gasoline and Other Service Station Charges	.0746	.0746	.0746	.0939	.1475
Sub-total Variable Expenses	.1071	.1071	.1071	.1295	.1922
TOTAL FIXED AND VARIABLE EXPENSES	.2259¢ $4504	.2435¢ $3231	.3377¢ $2251	.2803¢ $3720	.4245¢ $5633
Divided by Number of Occupants	(4) (1.136)	$808 $2844	(6) (1.136)	$620 $3275	(15) $376
Annual Savings Van Versus Sedan (2-Car Family)					$1877 (If Car Kept-42%)
-Driving Alone					$2855 (If Car Sold-88%)
-Car Pooling (4) (1.136)					$432 53% $2468 87%
One-Car Commutation Cost - (A. less C.)		$2253			

KEY COMMUTER STATISTICS 1979 DATA

1.	Number of Workers	90,500,000
2.	Number of Commuting Workers	87,970,000
3.	Number of Workers Commuting by Car	78,200,000
3A.	--- riding alone	64,200,000
3B.	--- in car pools	14,000,000
4.	Average Number Miles Per Day Commuted = 18.8 x 250 days = Miles a Yr.	4,700
5.	Average Number Riders Per Vehicle in Commuting Cars	1.136
6.	Total Number of Commuter Miles Per Year	367,540,000,000
7.	Total Number Vehicle Miles Per Year(# 6 by # 5) Commutation	323,670,000,000
8.	Average Miles Per Gallon Per Passenger Car	14.4
9.	Average MPG Per 15-Passenger Van	8.0
10.	Gallons Per Year of Gasoline for Commutation by Cars	22,476,875,000
11.	Number Cars Used to Commute (3A. + 1/3rd of 3B)	68,866,000
12.	Number of 15 Passenger Vans Required for All Car Commuters	5,213,000
13.	Miles Per Year for All Commuter Vans	24,500,000,000
14.	Gallons Used if All Car Commuters Went by Vans (Per Year)	3,062,637,000
15.	Number of Gallons Saved a Year if All Car Commuters Went by Van	19,414,238,000
16.	Annual Gallons of Fuel Used - Per Car	326
17.	Annual Gallons of Fuel Used by 15-Passenger-Car Commuters (# 16 x 15 by 1.136)	4,318
18.	Annual Gallons of Fuel Used by Each 15-Passenger Van (4700 by 8 mpg)	585
19.	Gallons of Fuel Saved Per Year Per Van (# 17 less # 18)	3,733
20.	Number of Commuters Travelling More Than 20 Miles Per Day (All)	29,503,000
21.	Number Commuters Travelling More Than 40 Miles Per Day (All)	4,970,000
22.	Number Commuters Travelling More Than 100 Miles Per Day	1,170,000
23.	Commuters Travelling 40 - 100 M.P.D. (Average 70 MPD) (17,500 A Yr.)	3,784,722
24.	Commuters Averaging 70 MPD by Car (86.4% x # 23)	3,283,200
25.	Vans Required to Carry 3,283,200 Commuters	218,000
26.	Mileage Per Year of 218,000 Vans @ 70 Miles A Day (17.5M MPY)	3,815,000,000
27.	Estimated Number of Potential Van Poolers (Now Driving Alone)	7,500,000
28.	Estimated Potential Number of Van Pools (# 27 by 15)	500,000
29.	Number Vans Remaining (# 28 less # 25) - Running 40 MPD - 10,000 MPY	282,000
30.	Aggregate Mileage of 282,000 Vans at 10,000 Miles A Year	2,820,000,000
31.	Total Annual Mileage of 500,000 Vans (# 30 + # 26)	6,635,000,000
32.	Average Annual Mileage Per Van (# 31 by # 28)	13,270
33.	Number Cars Required to Replace These 500,000 Vans (@ 1.13 A Car)	6,602,113
34.	Fuel Required for 500,000 Vans (@ 8 MPG)	829,375,000
35.	Fuel Required for 6,602,113 Cars (@ 14.4 MPG)	6,084,019,000
36.	Fuel Saved by 500,000 Vans @ 13,270 Miles A Year (#35 less #34)	5,254,644,000
37.	Fuel Saved by Each of These 500,000 Vans @ 13,270 Miles A Year	10,509
38.	Vehicle Miles A Year Travelled by Cars Vans Would Replace	87,609,867,000
39.	Dollars Per Year Spent on Commuting by Car ('79 Intermediates) for 7,500,000 Car Commuters Averaging 13,270 Miles A Year	$19,862,878,000
	A. For 3,032,250 workers with more than one car (40.43%) @ $3231 annual commutation cost each	$9,797,038,000
	B. For 4,467,750 workers with only one car (59.56%) @ $2253 annual commutation cost each	$10,065,840,000
40.	Dollars A Year Spent by 7,500,000 Commuters in 500,000 Vans Running 13,270 Miles A Year for 7.5 Years	$2,816,557,000
41.	Dollars A Year Saved by 7,500,000 Car Riders if They Switched to 15-Passenger Vans for 13,270 Mile Commutation	$17,046,321,000
42.	Total Annual Commutation Fuel Required if 7,500,000 Workers Commuted in Vans (#10 less # 36)	17,222,043,000

MILEAGE TRAVELLED AND FUEL USED BY VEHICLE TYPE AND PURPOSE
(in Billions of Miles and Billions of Gallons)

Year	Non-Personal Travel By Passenger Cars		Trucks*		PERSONAL PASSENGER CARS				TOTAL NON-PLEASURE*		PLEASURE TRAVEL	
					Non-Personal Use		(Commutation Use)					
	Miles	Fuel Use	Miles	Fuel Use	Miles	Fuel Use	(Miles)	(Fuel Use)	Miles	Fuel Use	Miles	Fuel Use
1950	62.3B	4.33 B	94B	10.3 Bg	207B	14.38 Bg	102B	7.06 Bg	363B	29.01 Bg	95 B	6.49 Bg
1960	100.6	7.03	131	16.7	334	23.36	170	11.87	566	47.09	153	10.81
1970	159.8	11.66	220	26.5	508	37.08	268	19.53	888	75.24	233	17.06
1971	164.6	12.01	232	28.0	549	40.07	287	20.98	945	80.08	241	17.42
1972	167.0	11.68	265	29.5	573	40.07	303	21.20	1005	81.25	263	18.25
1973	157.4	12.11	260	30.4	561	43.15	297	22.88	978	85.66	259	19.64
1974	143.9	11.51	274	29.9	529	42.32	281	22.46	946	83.73	244	19.47
1975	148.2	11.31	270	29.7	553	42.21	294	22.42	972	83.22	254	19.68
1976	154.7	10.67	302	33.1	572	43.01	303	22.82	1029	86.78	262	20.72
1977	161.1	10.39	338	36.7	630	45.99	323	23.58	1129	93.08	258	20.22
1978	171.1	10.06	360	38.3	652	46.57	334	23.89	1183	94.93	264	20.97
1979	166.7	9.26	371	38.6	658	45.69	324	22.50	1196	93.55	229	18.25

* Note: Many light-duty trucks are used for pleasure travel, but mileage figures cannot be computed accurately, therefore, non-pleasure truck and overall non-pleasure travel totals are believed to be somewhat over-stated. All data are projections and estimates based on government and motor vehicle industry public figures. Trucks are also used for commutation.

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TRUCK AND PASSENGER CAR GROWTH 1972-79

Type of Vehicle	Year (Pct. change)	1979	1978 '79 vs. '78	1977	1976	1975	1974	1973	1972 '79 vs. '72
Class I (Under 6M lbs.)		1,272,934	1,143,064 +11.4%	1,218,084	1,284,876	1,204,259	1,616,309	1,842,891	1,470,701 -13.4%
Class II (6-10M lbs.)		1,791,040	2,408,269 -25.6%	1,903,103	1,439,559	895,758	639,689	716,534	539,170 +232.2%
Class III (10-14M lbs.)		39,336	54,974 -28.4%	60,905	50,761	22,722	22,075	47,607	57,571 -31.7%
LIGHT DUTY SUB-TOTAL		3,103,310	3,606,307 -13.9%	3,128,102	2,775,196	2,122,739	2,278,073	2,607,032	2,067,442 +50.1%
Classes IV, V, VI (14-26M lbs.) MEDIUM DUTY SUB-TOTAL		151,426	165,196 -8.3%	170,805	169,718	166,770	210,787	238,240	199,307 -24.0%
Classes VII-VIII (26M lbs. + HEAVY DUTY SUB-TOTAL		213,174	191,837 +11.1%	156,471	113,095	107,908	168,058	183,802	143,781 +48.3%
TOTAL TRUCKS		3,467,910	3,963,340 +12.5%	3,509,328	3,058,009	2,397,417	2,656,918	3,029,074	2,410,530 +43.9%
DOMESTIC CARS		7,995,907	9,000,010 -11.29%	8,849,722	8,304,848	6,760,912	7,331,946	9,631,082	8,958,752 -10.7%
IMPORTED CARS		3,339,004	1,946,094 +20.2%	1,976,512	1,446,637	1,500,928	1,369,148	1,719,913	1,529,402 +52.9%
TOTAL CARS		10,334,911	10,946,104 -5.6%	10,826,234	9,751,485	8,261,840	8,701,094	11,350,995	10,487,794 -1.5%
TOTAL CARS & TRUCKS		13,802,821	14,909,444 -7.4%	14,335,562	12,809,494	10,569,257	11,358,012	14,380,069	12,898,324 +7.0%